

THE PRECIOUS METALS

137

the hides and tobacco and other commodities then fulfilling the functions of currency in primitive communities. They could also be carried about much more conveniently than the cattle which have been believed to have fulfilled the functions of currency in certain places, and they were capable of subdivision without any impairing of their value, that is to say, of their acceptability. Merely as currency, precious metals thus have advantages over any other commodity that can be thought of for this purpose.

So far, however, we have only considered the needs of man for currency ; that is to say, for a medium of exchange for the time being. It is obvious, however, that any commodity which fulfils this function, that is to say, is normally taken in payment in the exchange of commodities and services, also necessarily acquires a still more important duty, that is, it becomes a standard of value, and it is on the alleged failure of gold to meet the requirements of the standard of value that the present attack upon it is based. On this point the defenders of the gold standard will find a good deal of difficulty in discovering anything but a negative defence. The ideal standard of value is one which does not vary, and it cannot be contended that gold from this point of view has shown any approach to perfection in

fulfilling this function. It could only do
so if the
supply of it available as currency could
by some
miracle be kept in constant relation with
the supply
of all other commodities and services
that are being
produced by mankind. That it should
be constant